



COMMITTEE PROGRAM

No. 2

1949-1950



HIGHLIGHTS OF THE 25th ANNUAL MEETING



Even before the small farmer knows he's going broke, the squeeze is on his family and his land. Even a large farm may be at the break-even point long before its owner realizes it because of high fixed operating costs.

—Co-op Grain Quarterly
(Spring 1949)

**SASKATCHEWAN
CO-OPERATIVE PRODUCERS
LIMITED**

Regina, Sask.



Finding a Way

Many are actively farming today who remember back to the years 1920-1924 when farmers were going broke by the thousands. Yes, their families were being squeezed, long hours—no money for necessary health services—household and farm equipment wearing out and not being replaced—land being worked to the limit. Out of this squeeze came the farmers' determination to build a farmer owned and farmer controlled marketing organization, as well as a grain handling company. Price per bushel is as important as the yield per acre.

In 1924 over 50,000 farmers in Saskatchewan jointly agreed to market their grain co-operatively and to set up the machinery to do-the-job.

The Province was divided into sixteen districts and one hundred and sixty sub-districts—democratic elections were held for the election of delegates—the delegates elected sixteen directors and the farmers' hope was on the way to being fulfilled.

It was a "tall job" the Pool members handed the Directors, including the hiring of a faithful and efficient staff—renting office space—making contracts with Line Elevator Companies—setting up the Selling Agencies, and overcoming many other difficulties.

The need of farm people, the faith of these people in themselves and their neighbours gave strength to the workers. This "Faith" has never waned and today the organized farmers are entering another twenty-five years of co-operative service.

THE FIRST ANNUAL MEETING

Seven delegates who attended the first annual meeting are still actively farming and are delegates. These men recall with pride a few highlights of that first meeting—including the undertaking to operate a Coarse Grains Pool as Coarse Grains were as important to some farmers as wheat to others.

Saskatchewan Pool Elevators Limited was organized to operate on a non-profit basis—and 81 elevators were bought or built in the year 1925. These Pool Elevators handled street wheat at four cents per bushel for one, two and three Northern and five cents on the other grades.

It was reported that over 55% of all Pool grain handled in the Season 1924-25 was marketed direct and outside of grain exchange channels.

International Co-ordination was discussed—it was the opinion that wheat growers exporting countries had an identical problem to the farmers on the Prairies.

The first annual report showed cash on hand \$24,922.64.

THE PARENT COMPANY

The Saskatchewan Co-operative Producers Limited is owned by its member-shareholders. The Modern Press, Saskatchewan Pool Elevators Limited, Vegetable Oil Plant, Flour Mill, Saskatchewan Pool Terminals Limited, Saskatchewan Co-operative Livestock Producers Limited, Saskatchewan Wheat Pool Construction Company Limited, are completely owned by Saskatchewan Co-operative Producers Limited, and in each case has the same Board of Directors who have been elected in the most democratic manner by the Pool shareholders. The assets include 1,162 country elevators with annexes

and bins with total country storage for 59,357,000 bushels (an increase over 1948 of 634,000 bushels), 636 agents' cottages, three terminal elevators with storage capacity of 17,568,000 bushels, Head Office building, the Modern Press, Vegetable Oil Plant and Flour Mill, the stockyards at Regina, North Battleford, Yorkton, and Swift Current, together with a large number of miscellaneous items.

The 1949-1950 construction program provides for additional country elevator storage space for one and a half million bushels of grain.

These assets originally cost \$38,149,454.01 but today are carried on the books at \$18,355,900.96 (Statement No. 1A of 25th Annual Report.) Based on present day costs the net book value of \$18,355,900.96 may be considered low. The working capital is \$3,071,735.95.

The direct investment of the shareholders in the assets of the organization consists of the following:

Capital (Membership Fees).....	\$ 136,668.00
Elevator Deductions.....	12,188,060.07
Commercial Reserves.....	6,567,851.17
	<u>\$18,892,579.24</u>

Since 1940 Elevator Deductions and Commercial Reserves totalling \$7,391,488.52 have been transferred from estates of deceased members or from aged members who are no longer farming—to members who have delivered grain to Pool Elevators.

All assets are the property of the shareholders in proportion to their individual investment in Elevator Deductions and Commercial Reserves.

The funds used to build the Flour Mill and Vegetable Oil Plant was borrowed from the Commercial Reserve.

Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited

Deliveries to Pool country elevators last season amounted to 117,508,343 bushels as compared to 101,628,492 bushels in the previous season. The average delivery per elevator amounted to 104,948 bushels as compared to 92,257 bushels in the year ending July 31st, 1948. For the past Season, 50.20% of all grain delivered in Saskatchewan was delivered to Pool Elevators.

Pool Elevators shipped 3,161,112 bushels of the 5,553,071 bushels which were delivered at Churchill during the Season.

Surplus for the Year

The surplus for the year amounted to \$1,861,613.53 after providing for a deficit of \$187,735.05 in the operations of the Vegetable Oil Plant and the Flour Mill. This surplus has been allocated as follows:

Share of earnings to Saskatchewan Co-operative Producers Limited.....	\$ 514,701.11
Less Charges Refund—Season 1948-1949.....	560,000.00
Provision for Income Tax (estimated)	540,000.00
Transferred to Reserve Account.....	246,912.42
	<u>\$ 1,861,613.53</u>

Modern Press Limited

During the year the general editorial policy of The Western Producer hitherto followed has been continued. As in the past, attention has been given to the development of the Co-operative Movement and particularly to the work of the Wheat Pool and other co-operative organizations in their effort to secure improved living conditions for western agriculture.

Total net paid circulation of The Western Producer reached an all time high of 156,109 as at July 31st, 1949. The operations of the Modern Press Limited, resulted in an operating deficit of \$161,520.03 and was charged to the Reserve account.

Flour Mill

Actual operations started on March 1st and this report covers the five months up to July 31st. During this period 44,782 barrels of Pool Co-op Flour were sold in Canada and 31,020 barrels sold for export.

Wheat Pool Committees gave considerable assistance in introducing Pool Co-op Flour in Saskatchewan. Pool Fieldmen wrote 714 individual orders for flour covering 10,374—98 pound sacks. In addition there were sales of feed. The export market continues very active and sales have been very satisfactory but the domestic market must be developed still further.

Vegetable Oil Plant

The Vegetable Oil Plant operated for 268 days including 133 days when the plant processed rape seed on a custom basis. During the year 249,527 bushels of flax were processed, or an average of 1848 bushels per day. Total oil sales for the season amounted to \$946,770.00 and oil cake meal sales amounted to \$265,695.00. After providing the sum of \$33,047.18 for depreciation on fixed assets, the Plant showed an operating loss of \$25,183.24 for the year ending July 31st. The export market for the products of this mill narrowed down in recent months and on the other hand the supply of flax in Saskatchewan this year is very limited.

Saskatchewan Co-operative Livestock Producers Limited

Farmers who are interested in the production of livestock will secure valuable information from the 25th Annual Report. The margins in growing and feeding livestock are often very narrow and reliable information on current marketing conditions is available at Co-operative Agencies and stockyards. The men employed by your Livestock Company are always

ready and willing to help secure the best possible market and price for all animals delivered to Co-operative Agencies at Saskatoon, Prince Albert, Yorkton, North Battleford, Swift Current, Moose Jaw and Regina and Canadian Livestock Co-operative (Western Limited), St. Boniface. After making provision for Income Tax amounting to \$10,945.30 the net surplus of \$21,456.29 was transferred to the reserve account. The net surplus in the previous year was \$22,126.05.

Country Organization

The local Wheat Pool Committee is the centre around which Pool activities revolve. The delegate looks to the Wheat Pool Committee for guidance and assistance in his work with and on behalf of the shareholder in his sub-district.

During the past year 1,062 of the 1,158 Wheat Pool Committee Secretaries reported re-organization. In May, June and July, 124 Committee Conventions were held which took in the 166 sub-districts with an average attendance of 66 at each convention. At these conventions the Committeemen discuss Pool business and get ideas and help in planning their Committee activities.

Future Policy

The following recommendations are objectives which need the continued support of the producers, as their welfare and that of others is coupled with the rounding out of these policies.

- (1) That the Dominion Government should be asked to extend the powers of the Canadian Wheat Board so that it may continue to act as the sole marketing agency for Canadian grain after August 1st, 1950.
- (2) That we urge upon the Dominion Government that the marketing policy for coarse grains should be changed to the end that the use of the speculative market should be eliminated.

- (3) That the Dominion Government should endeavor to secure the extension of the bacon, beef and other food contracts with the United Kingdom and other countries as an effective means of establishing stable prices for these commodities.
- (4) That we should continue to support the request of the Canadian Federation of Agriculture for the appointment of a Board of Livestock Commissioners with authority to administer the Livestock and Livestock Products Act.
- (5) That an adequate scheme of crop insurance should be worked out jointly by Dominion and Provincial authorities, the cost to be borne jointly by Dominion and Provincial Governments and producers.

Officials and Staff

The Annual Report mentions the important contribution to the successful operation of the organization by the officials and members of the staff in all departments.

CONCLUSION

The achievement, or partial achievement, of many of the long-standing ambitions of the members of this organization is cause for satisfaction but also for sober thought. By the very success which it has achieved there is laid upon your organization the responsibility for fully effective agricultural policies in this country.